

Retail Recruitment Strategies



**SEPTEMBER OF 2019
SMITHFIELD, NC**

**SPONSORED BY THE NC
DEPARTMENT OF COMMERCE**

Alan Matthews

Director of Economic Development of Rocky Mount in partnership
with the Rocky Mount Area Chamber

- Dedicated 25 years with a Fortune 500 Company
- Dir. Economic Development in January 4th. 1999
- Created position to capture increased consumer spending opportunities for city, increase tax base grow capital investment along with job creation.
- Working in cooperation with our two county MSA Industrial Recruitment and Downtown Development
- Responsibilities are all commercial activity, focus on small Business, Retail, Hospitality Industry, service industry and housing development

Mike Dougherty, Director of Economic Development, City of Eden



- **Spent 20 years in private sector**
 - Fortune 500 company/medical practice
- **Started as Eden Business Development Director in July of 2002**
- **Eden became a NC Main Street Community in 2003**
- **Economic Development Director in 2008**
- **Eden hires dedicated Main Street Manager in 2017**
- **Responsibilities dedicated to business and industrial recruitment**

In the beginning....



- Both worked in marketing and sales with similar backgrounds.
- Entered into economic development roles in 1999 and 2002 respectively.
- Both were the original occupants of business development positions in our respective organizations
- If we can effectively recruit businesses, so can you.

Retail Recruitment



- Considered part of a comprehensive economic development strategy
- Rural communities often lose tax revenue to larger communities with more retail offerings
 - Eden is 40-45 minutes from Greensboro and 20 minutes from Danville, VA
 - Rocky Mount is an hour drive to Raleigh and all it offers
- Many retailers thrive in small, rural communities
- Presentation:
 - Basics of retail recruitment
 - Case studies of individual retailer recruitment processes
 - This seminar is to benefit **you**. Do not hesitate to ask questions.

U.S. Employment 2018



- **Retail ranks #2 in U.S. jobs**

#1 Office and Administration	21,828,990
#2 Sales and Related Occ. (Retail)	14,542,290
#3 Food Prep. and Service Occ.	13,774,620
#4 Production Workers	9,115,530
#5 Education	8,779,780
#6 Health Care Practitioners	8,646,730

U.S. Bureau of Labor Statistics—May of 2018

NC employment 2018



- Retail ranks #2 in NC jobs

#1 Office and Administration	629,880
#2 Sales and Related Occ. (Retail)	472,380
#3 Food Prep. and Serving Occ.	426,490
#4 Production Workers	343,450
#5 Transportation Workers	323,480

U. S. Bureau of Labor Statistics for NC –May of 2018

Value of Retail to Communities



- **Consumer spending is a leading indicator of the health of any marketplace and discussed by economists across the country.**
- **Retail sales for cities, counties and the state contribute 24% of the dollar in tax revenue**
 - **This helps fund community quality of life improvements and other amenities**
- **This does not include the increased tax value of commercial properties**

Retail Recruitment



- **Consists of national chains and locally owned businesses.**
 - Chain stores are often sought after by citizens
 - Dollar Tree/Dollar General/Marshall's/Wal-Mart
 - Positive: Provide jobs
 - Increase tax base
 - Long term operation in most cases
 - Negative: Chains can negatively affect locally owned businesses
 - Chains contribute far less to the local economy in terms of charitable contributions and limited potential for expansion



Retail Recruitment



- **Independent Retailers/Businesses**

- **Positive**

- ✦ Many large businesses start out as small ones
 - Entrepreneurship catalyst
- ✦ Customer service normally better than chains
- ✦ Provide an “experience” to patrons
- ✦ Contribute more to charitable causes than chains on average

- **Negative**

- ✦ High failure rate

- **Goal: Establish a good mix of local and chain stores**

Try to avoid attracting chains that will directly compete with locals



Small Towns



- **90%** of the approx. 19,000+ U.S. municipalities have populations smaller than 25,000 (Nat. League of Cities)
 - *In a small town, retailers can be a big fish in a small pond rather than a small fish in a big pond*
- **Cities must actively solicit retailers using third-party data and market analytics to determine what retailers are a good match for them.**
 - “Biggest challenge is that small towns want business; they just don’t know how to get it,”
 - Derek Anthony, Broker Associate at Woodmont Co., Fort Worth, Texas

Fundura: Business Ideas



- Contractor
- Pet store
- Grocer
- Fitness center
- Bookstore
- Nail salon
- Daycare
- Caterer
- Tattoo shop
- Home Cleaning
- Salon/Barber
- Pharmacist
- Ice cream shop
- Bed & Breakfast
- Photographer
- Brewery/winery
- Real Estate
- Vet clinic
- It and Computer
- Gas station
- Thrift store
- Dry cleaner
- Florist
- Clothing Boutique
- Hardware store
- Event Planner
- Health Clinic

Evaluate Your Community



- **What are your needs?**
 - Women's clothing stores?
 - Gift shops?
 - Sporting goods stores?
 - Bakeries?
 - Restaurants?



Community Input



- **Determine what is wanted**
 - Chamber of Commerce member surveys
 - County Economic Development staff
 - Community leaders
 - Focus groups

Evaluate Your Community



- **What will your community support?**

- Environmental Systems Research Institute (ESRI) Retail Marketplace Report

Business Potential (10- mile radius from central Eden in 2017—Source ESRI)

Category	Demand	Supply	Potential
• Auto Dealers	\$112,228,425	\$90,229,122	\$21,999,303
• Auto Parts, Access. Tires	\$ 9,948,250	\$ 681,308	\$ 2,834,055
• Furniture and Home Furn.	\$ 17,175,511	\$ 8,489,278	\$ 8,686,233
• Electronics & Appliances	\$ 13,312,605	\$5,619,060	\$ 7,693,545
• Building Materials/Garden	\$ 36,526,869	\$26,979,701	\$ 9,547,168
• Grocery Stores	\$ 79,296,688	\$74,320,898	\$ 4,975,790
• Clothing & Accessories	\$ 20,722, 490	\$ 8,616,834	\$14,085,176
• Shoe Stores	\$ 3,350,641	\$ 1,306,693	\$ 2,304,588
• Jewelry & Luggage	\$ 3,441,338	\$ 1,136,750	\$ 2,304,588
• Sporting Goods	\$ 12,078,957	\$ 4,149,202	\$ 7,929,755
• Books, Periodical & Music	\$ 1,768,129	\$ 184,592	\$ 1,583,537
• Office Supplies/Gift Shops	\$ 4,156,088	\$ 888,711	\$ 3,267,377

Potential=Business that is “leaking” out of your community to other areas

Evaluating your Market



- Eden considers its “Market” to be the 50,000 people living within 10 miles of the city.
- Crosses VA border as consumers don’t see state lines.
- Goal is to keep as much tax revenue in the city and away from urban areas or larger communities

Business Recruitment

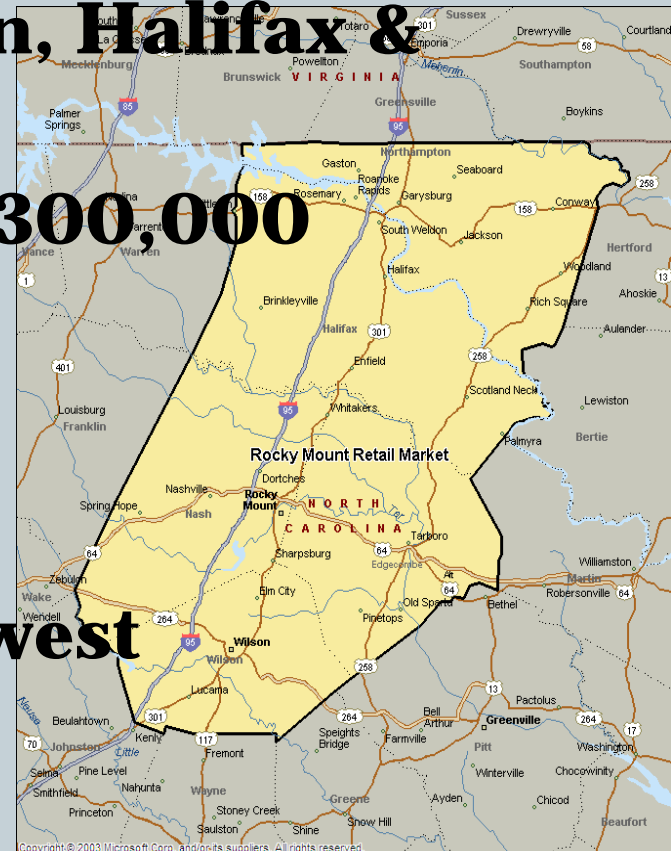


- Rocky Mount a two-county MSA population 147,000
- Our market defined as five county Draw 300,000
- Location – 45 minutes east of fastest growing city in US Raleigh
- At the intersection of two Interstates
 - I-95 most major north south route in US linking 1/3 US wealth
 - I-87 new designation – (US64) from major metro areas west
 - ✦ To North Carolina's greater Outer Banks
- Ability to market a thirty-minute drive time

Rocky Mount Retail Market



- **Nash, Edgecombe, Wilson, Halifax & Northampton counties**
- **Population base exceeds 300,000**
- **I-95 runs north & south**
- **I-87 (US 64) runs east & west**



The Future: Growing Beyond Our Population Base



An aerial photograph of a valley in North Carolina. A river winds through the center, flanked by green fields and dense forests. A multi-lane highway runs diagonally across the scene. In the distance, rolling hills and mountains are visible under a clear blue sky.

Destination Rocky Mount

Northeastern North Carolina's
Regional Commerce Center

Office of Business Recruitment
Alan Matthews

UNIQUE TENANT RETAIL

- Super-regional trade area covers 19 counties in eastern North Carolina; most within 50 miles of site
- 2.5 million residents and almost 1 million households in 2016
- 1/3 of households earning over \$75,000 in 2016
- Primary trade area is four-county "core" and secondary trade area is 15 surrounding counties

Demographic Profile,
Super-Regional Trade Area, 2011-2016

Demographic Category	2011	2016
Population	2,313,621	2,508,677
Households	696,487	976,491
Average Household Income	\$64,013	\$71,946
Households \$50,000+ Income	426,047	540,028
Households \$75,000+ Income	270,463	332,551
Percent of Population Under Age 18	20%	24%
Percent of Population Ages 18-34	24%	24%
Percent of Population Ages 35-49	29%	27%
Percent of Population Ages 55+	21%	20%

Source: BIR



Create Destination



Establish a retail presence along I-95 & US 64 corridors that increase consumer spending and provide growth for hospitality, while capturing a broader market.

WHY?



- ▣ **Consumer Spending – Retail - is 70% of our economy**
- ▣ **Drive Time is important to retailers and consumers .**
- ▣ **Rocky Mount has great access by I-95 and US 64 making us attractive to retailers with short connect to consumers**
- ▣ **There are 4.2 million residents within a 120 minute drive time – medium income \$ 53K**
- ▣ **Why would we not want to capture outside revenues?**

Exit 138 – Hwy 64 & I-95



- **Opportunities**

- Major link to western metropolitan areas. RTP
- Highest traffic count and best visibility for retail services
- Has potential for greatest growth and return by constructing service roads to expose more I-95 and US 64 frontage
- Best link to lodging industry & closest link to population base
- Motivated sellers
- Potential tie in with Nash Community College

Benefits to City County and State



- ▣ **By capturing a broader market area our two county MSA can recruit and attract a higher level of retail and other businesses**
- ▣ **Job creation and increased tax base from retail sales**
- ▣ **Turn corner in a positive direction and help to rebrand our city our area and community**

This is an Eastern North Carolina Project and an opportunity for North Carolina to assist our geographical area and capture additional sales tax revenues



Rocky Mount I95/US64:

174 Acres

255 Acres

- **4.2 million residents within a 2-hour drive, with a median household income of \$53k+.**
- **3000 existing hotel rooms, with four new hotels recently constructed.**
- **54 million vehicles pass through the I95 and US64 intersection, with over 1 million stops at nearby I95 NC Welcome Center.**
- **I95 and US64 carries the highest 4-way traffic count in NC, along the I95 corridor.**



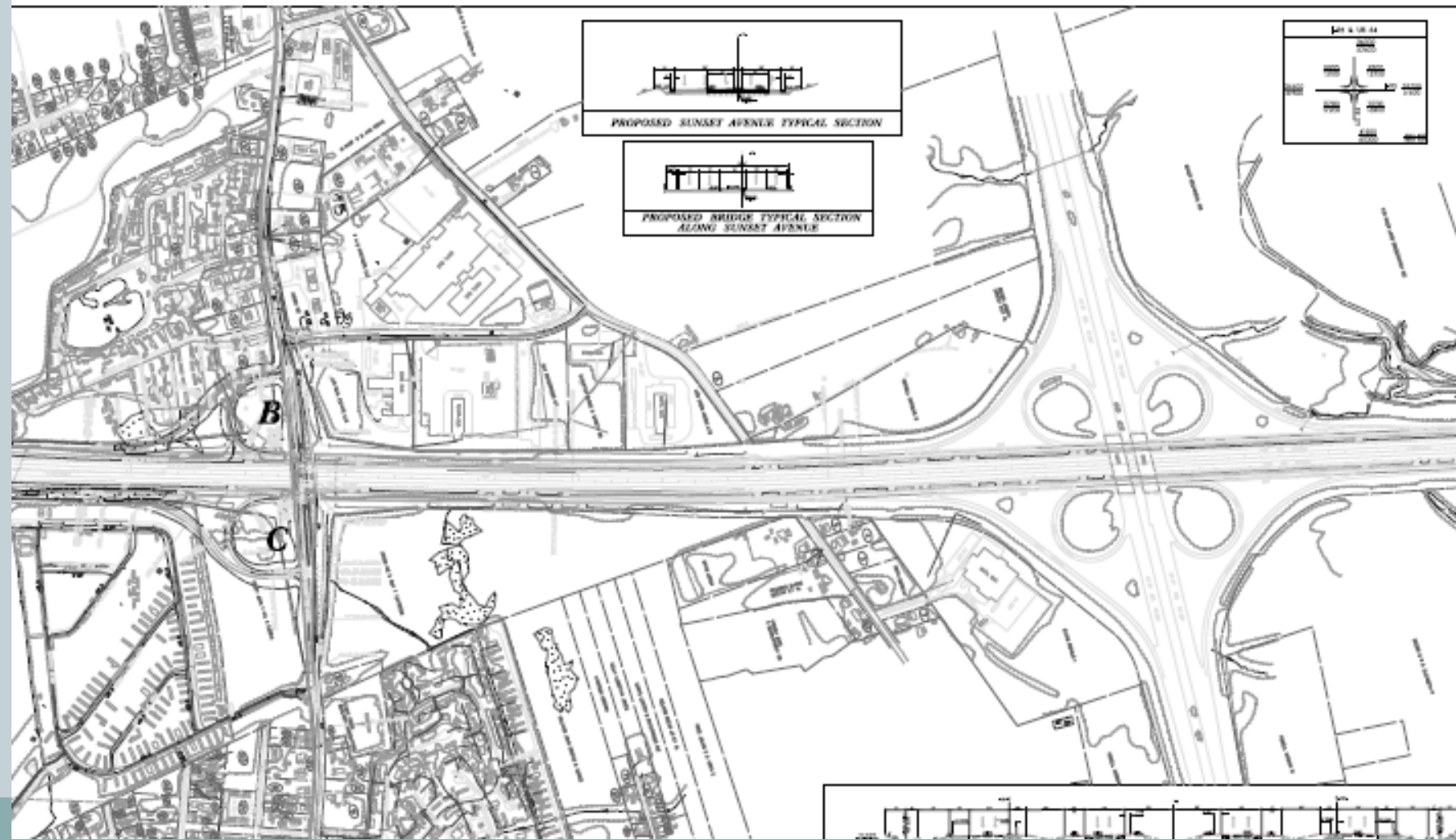
Where are we in process



- Land has been assembled by Business Recruitment and options held at the CGP
- Next steps will be to engage consulting firm to perform economic impact analysis of overall project to include an attractive marketing piece.
- Recruit developers/anchor retailers
- Discussion from Business Recruitment with Electricities has led to agreements to participate with cost of study.



Current Ramp Design – D.O.T.



RICHARD BURR
NORTH CAROLINA



United States Senate
WASHINGTON, D.C. 20510
February 10, 2009

Mr. Johnny Morris
Bass Pro Headquarters
2500 East Kearney
Springfield, Missouri 65898

Dear Johnny:

I understand Bass Pro Shops is considering Rocky Mount, North Carolina as a potential site for a new store. Both from a professional standpoint and as an avid outdoorsman, I wish to offer my support for this endeavor, as well as any assistance I may provide.

North Carolina's treasured natural resources provide a variety of outdoor recreation opportunities. Eastern North Carolina is especially well suited for an outdoor retailer as over 70% of all of North Carolina's hunting and fishing permits are purchased east of Wake County.

I understand you are working with local officials in Rocky Mount but if I may be of assistance to you or your organization, please do not hesitate to ask.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Burr", written over a horizontal line.

Richard Burr
United States Senator

Sunset Ramp and Process



- **Wetland Delineation Study completed by Harris Consulting engineering of Raleigh**
- **This Study was requested by D.O.T. to better understand environmental impact of project**
- **Traffic Impact Analysis underway by Kimberly and Horne Engineering – Raleigh**
- **November meeting held by NC D.O.T. to complete process with EPA, Army Core of Engineers, Wildlife Commission, etc.**

Interstate opportunities

Drawing consumers from outside community



- **Creating the right environment for future growth**
- **Assembled land Intersection I-95 & I-87-250 acres**
- **Built consensus with land owners to option property**
- **Worked with NC D.O.T. for improved access**
- **Included County and City along the way**
- **Results 175 mm capital improvements to land with new ramp off I-95 access into area, increasing to four lanes on existing roads, etc.**
- **Project can be transformational for our city, county and larger geographical area**



Greyfields or Commercially Deceased Properties

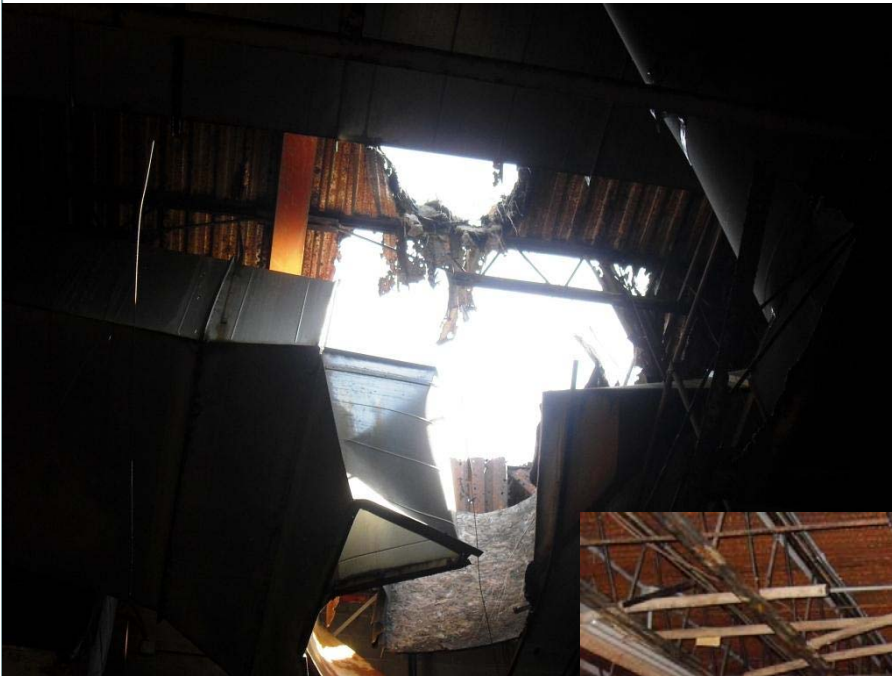


Greyfields



- **Edgecombe Shopping Center**
 - Redevelopment – 4 million dollar capital investment to community – 100 new jobs created
 - Much needed services closer to residential community
 - Bringing Grocery component
 - ✦ Apparel , general merchandise
 - ✦ Other retail uses

Before



Construction



Ribbon Cutting



Retail Chain Recruitment Steps



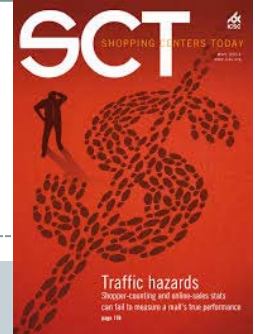
- **#1 Visit the retailer's web site**
 - Check where they have located existing stores
 - ✦ Are their demographics similar to your community?
 - Population
 - Median Household Income
 - If not, they will probably not be a good fit for your community.
 - Target: Contacted them and received a letter that they do not locate in communities under 100,000 population
 - Harris Teeter: Eden did not have enough college graduates which indicates earning power
 - Tractor Supply: Company targets rural areas and an empty Wal-Mart space worked for them.

Retail Recruitment Steps



- **#2 Contact Real Estate Department**
 - Often there is an option to submit a site on-line
 - ✦ Site/community requirements are sometimes listed on web site
 - If not, begin correspondence with Real Estate Manager
 - ✦ “Sell” your community
 - Assets, growth, consumer needs
 - ✦ This will often open a dialogue with developers for the chain for those under the “Build to Suit” model (Dollar General)
- **#3 If there is not a Real Estate Department**
 - Visit a store and ask for the District Manager’s contact information. They can provide real estate contact information.

Retailer Contacts



- #4 International Council of Shopping Centers
 - Become an ICSC member—on-line-- \$100 for public sector members (annually) and \$95 to attend the NC conference.
 - ✦ Deal Making Conference takes place each March at Charlotte Convention Center. (March 12, 2019)
 - ✦ “Deal Making” session--Meet real estate staff/learn site requirements—establish relationships
 - ✦ Developers attend seeking opportunities
 - ✦ *Shopping Center Today* Magazine issued monthly to ICSC members
 - Can learn which companies are expanding
 - ✦ Richmond, Atlanta or Las Vegas ICSC conventions

Dollar General



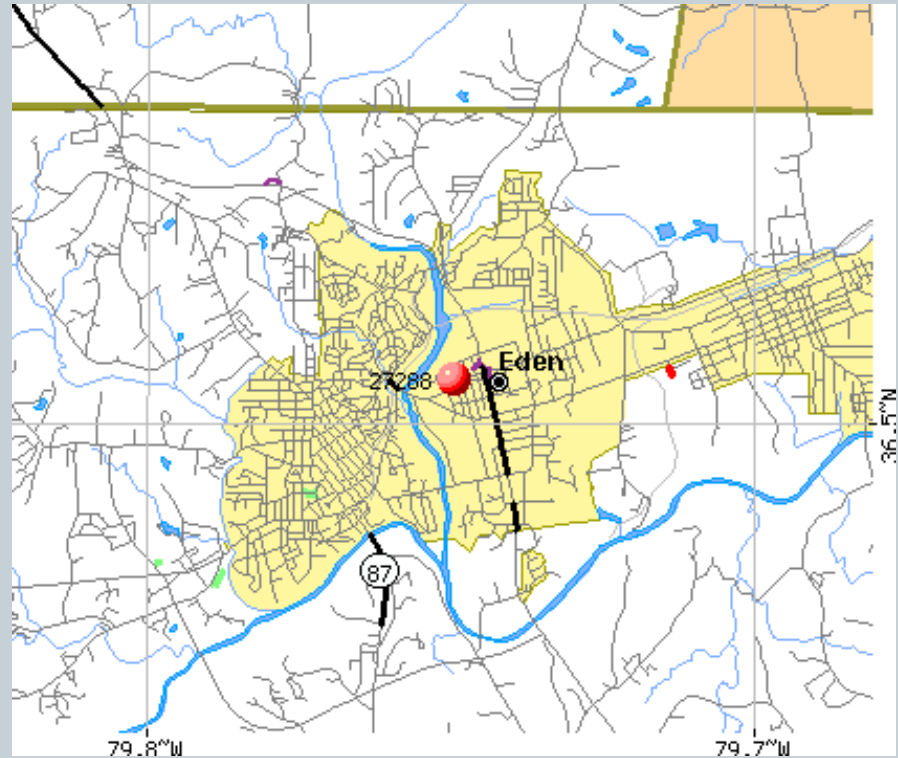
- **Build to suit model**
 - Developers seek locations in a community, build store and lease back to Dollar General for a period of years.
 - DG real estate department approves the community
 - ✦ 1-1.5 acre site
 - ✦ At least 1.5 miles from an existing Dollar General Store
 - ✦ Avoid being in the direct shadow of Wal-Mart
 - Company excels in lower-income, rural areas



Eden Dollar General Project (Draper)



- Started in 2005
- 10 properties considered
- Issues
 - Environmental
 - Availability
 - Demolition costs
 - Access to residential areas

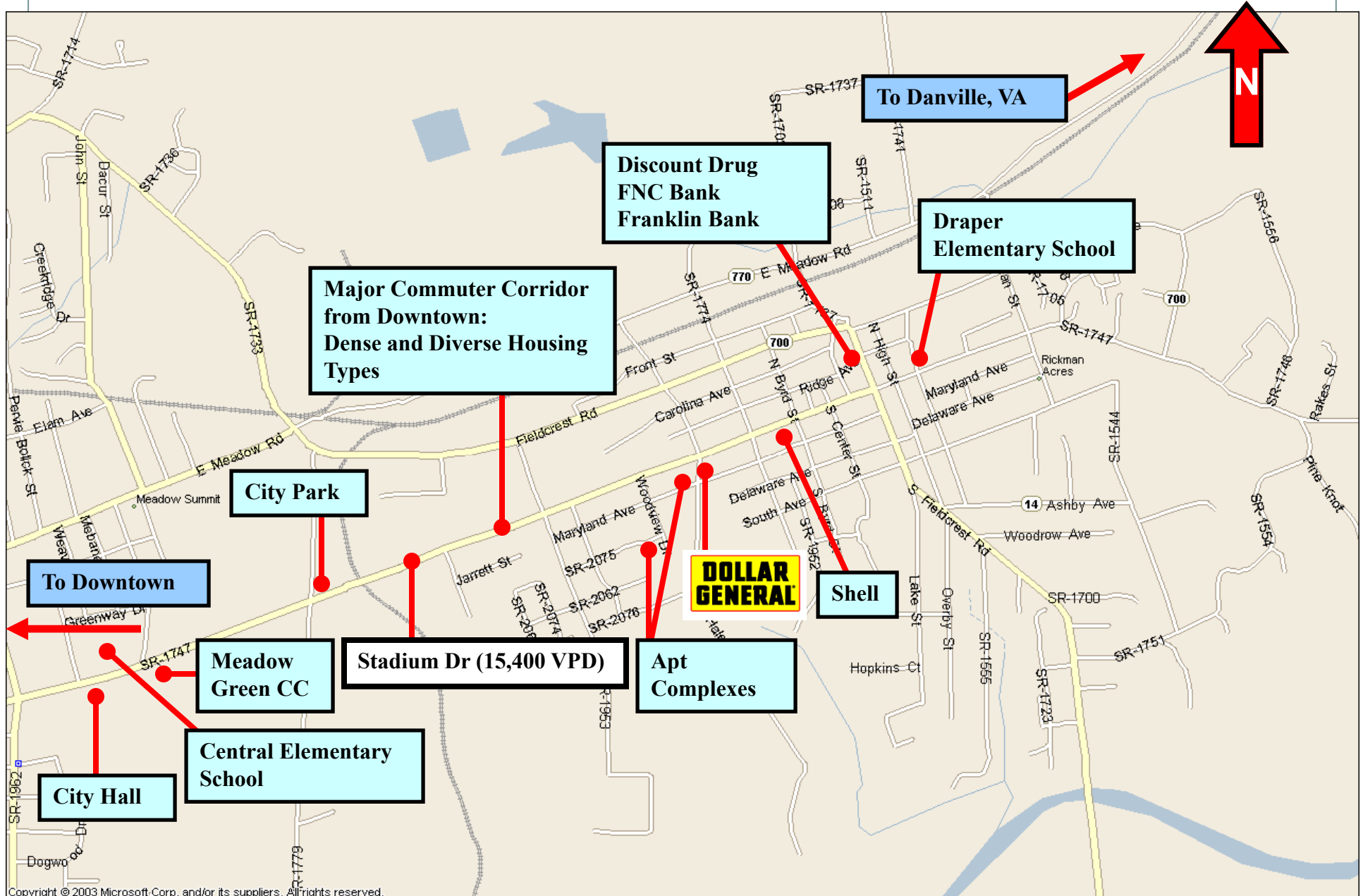


Proposed Location
Stadium Dr and S Hale St; Eden, NC



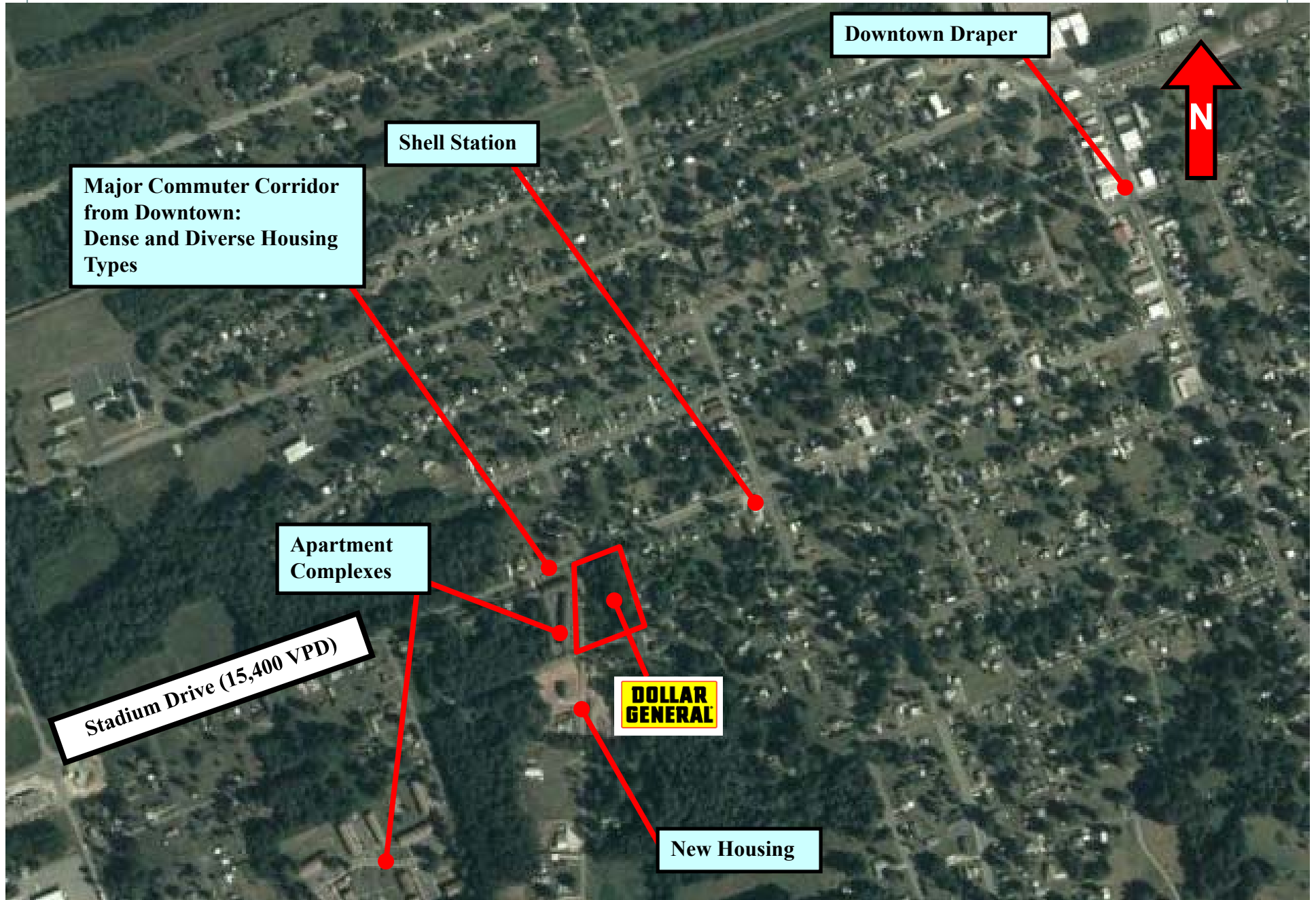
Stadium Drive; Eden, NC

Location Map



Stadium Drive; Eden, NC

Overview Aerial



Stadium Drive; Eden, NC

Apartment Complex SW of Site. Additional Units under Construction



Area Residents



- Property was zoned residential—sought zoning change from Planning Board and City Council to Business General
- 50 residents of Hairfield Apartments signed a petition in favor of the store



Area Residents



- **Support**

- 20 additional residents signed a petition in favor of the store
- Residents living towards Ruffin, NC expressed support for the store

- **Opposition**

- 5 local residents
- One local business owner



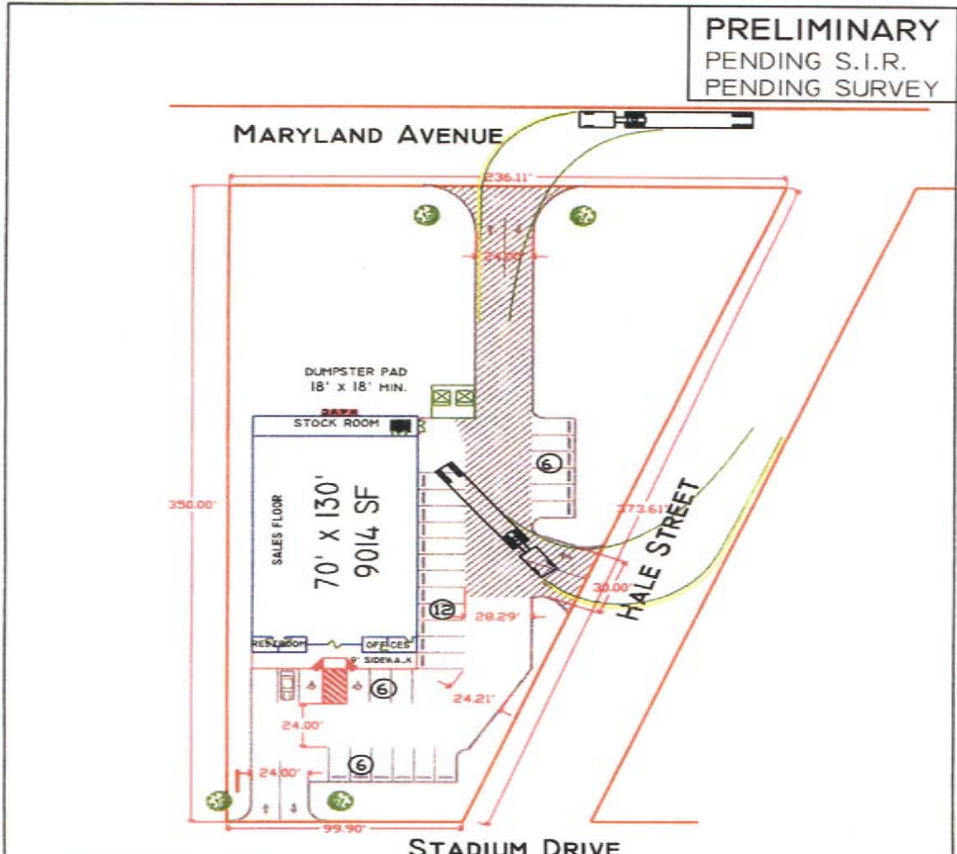
Dollar General Support



- City Planning Board voted against the rezoning because of concern over convenience store selling alcohol. (There was no indication it was a C-store; just speculation on part of Planning Board Chair)
- **93.3%** of those who expressed an opinion of the project for the October Eden City Council meeting were in favor of the project
- Rezoning passed



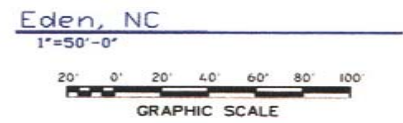
PRELIMINARY
 PENDING S.I.R.
 PENDING SURVEY



BUILDING SETBACKS		
	REQ-D	PROV-D
FRONT	7 FT	22 FT
REAR	7 FT	41 FT
SIDE	7 FT	10 FT
SIDE (ROW)	7 FT	10 FT

AREA SUMMARY		
	SQUARE FOOTAGE	ACREAGE
GROSS AREA	63,098	1.449
PAVING AREA	11,330	0.263

PARKING SUMMARY					
	TOTAL BLDG SF	REQ-D	SPACES	PROV-D	SPACE SIZE
PROPOSED	9,014	1/7 SF	43	1/300 SF	9' X 18'



LOCATION	Eden, NC	DRAWN BY	LH
SCALE	1"=50'	DATE	Mar. 24, 2005

Dollar General-Draper



SINGLE TENANT INVESTMENT OPPORTUNITY



Actual Size

Dollar General-Spray (First Proposal)



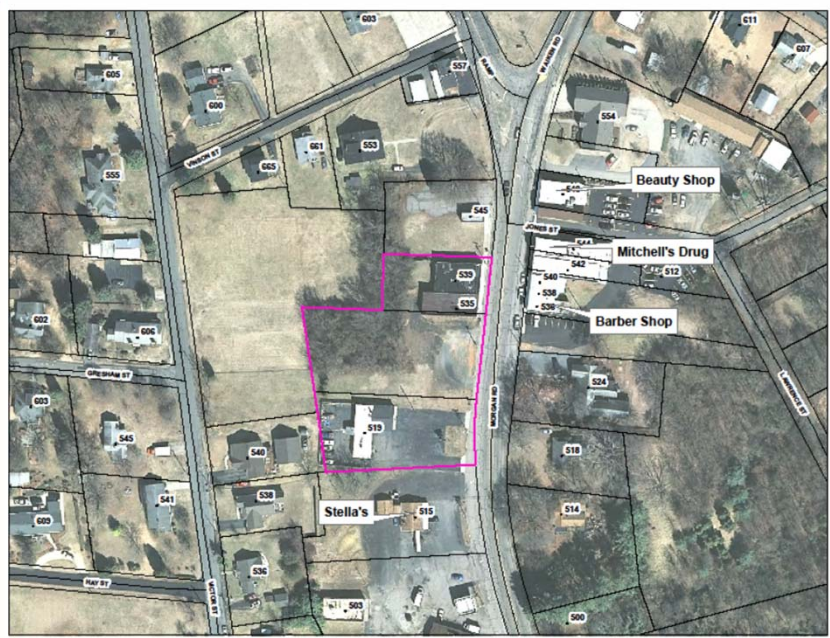
Revised Site



Site After Construction



Site Comparison



Before



After

Dollar General-Spray



Dollar General Value/Tax Comparison



- **Store #1 1.3 acre lot in Draper**

	Tax Value	Taxes Paid
○ Before	\$ 9,979	\$ 56.88
○ After	\$618,426	\$4,304.24
○ Diff	\$608,447	\$4,247.36



- **Store#2 1.4 acre lot in Spray**

○ Before	\$118,561	\$735.08
○ After	\$686,916	\$4,780.93
○ Diff	\$568,355	\$4,045.85





- “We do very well in rural towns that have few grocery or convenience options.”
- “We love to serve rural areas and provide a shopping option that may not have existed previously.”

NC Real Estate Manager
Lauren Chiozza

Restaurants

Ruby Tuesday



- **Ruby Tuesday**
 - Community had done a study that showed citizens wanted a chain restaurant
 - Recruited to Eden in 2003 by calling headquarters and identifying the NC real estate manager, sending him information and inviting him for a community visit
 - Found a site close to 3 motels
 - Location within walking distance to three hotels

Year	Tax Value	Tax Revenue
2003	\$214,500	\$2,584.73
2018	\$1,043,577	\$13,618.67

Ruby Tuesday Restaurant



Success Stories



- **Recruited to Eden in 2003**
 - Located later in Reidsville and Mayodan
- **Success of Eden showed the company that rural areas would support a store**
- **Dollar Tree consumers are higher income than Dollar General**
- **\$8.00 average ring per customer**
- **Locate in shopping centers and build stand-alone stores**

Dollar Tree—Shopping Center location

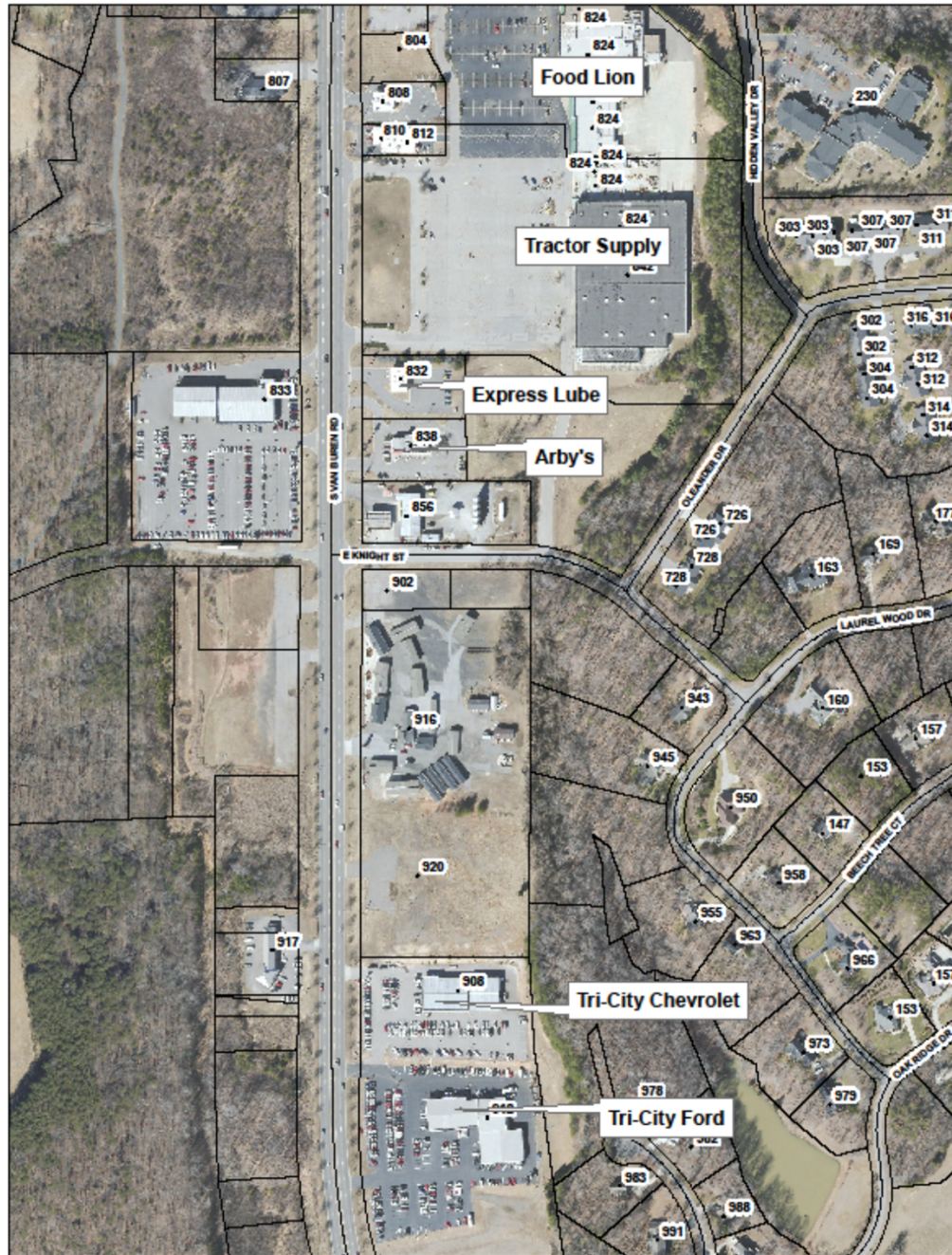


Success Stories



- Approached at ICSC in 2007
- Interested in livestock, not necessarily people
- Occupy 15,000 SF of a former Wal-Mart location
- Good community partner
 - Hold special events in parking lot





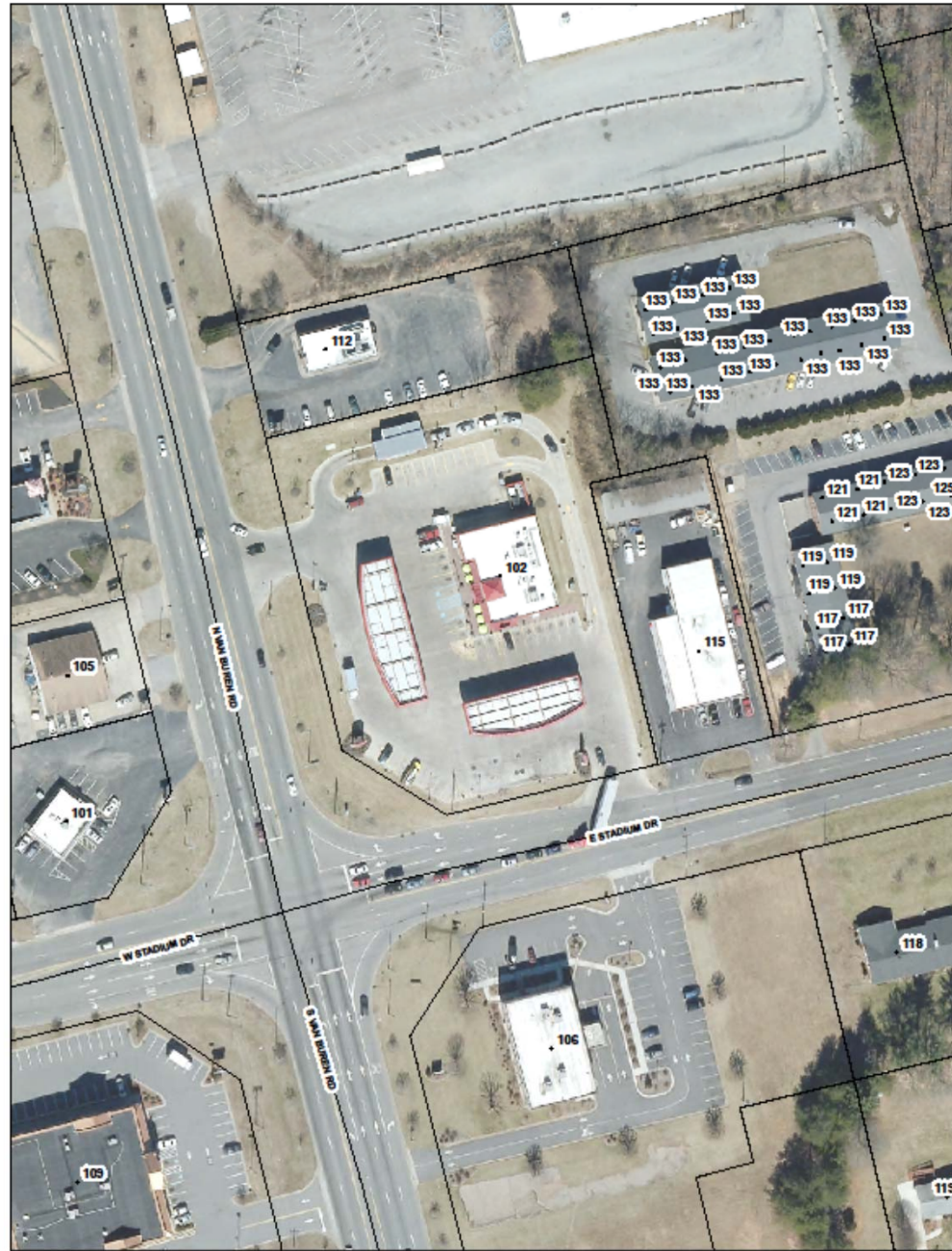
Sheetz



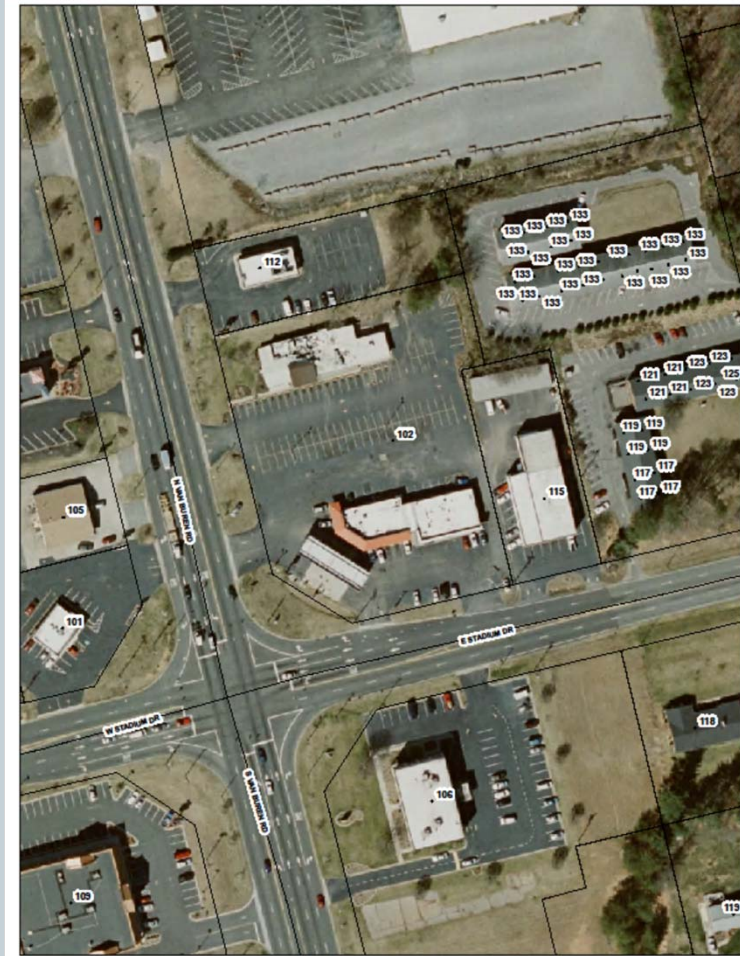
- Contacted Real Estate Manager at Charlotte ICSC meeting in 2006.
- Proposed site at second highest traffic volume intersection in community
- Was previously leased by a gas station operator
- Sheetz conducted “due diligence” period
 - Real estate manager watched traffic patterns from midnight until dawn
 - Sought crime incidents at neighboring apartment complex



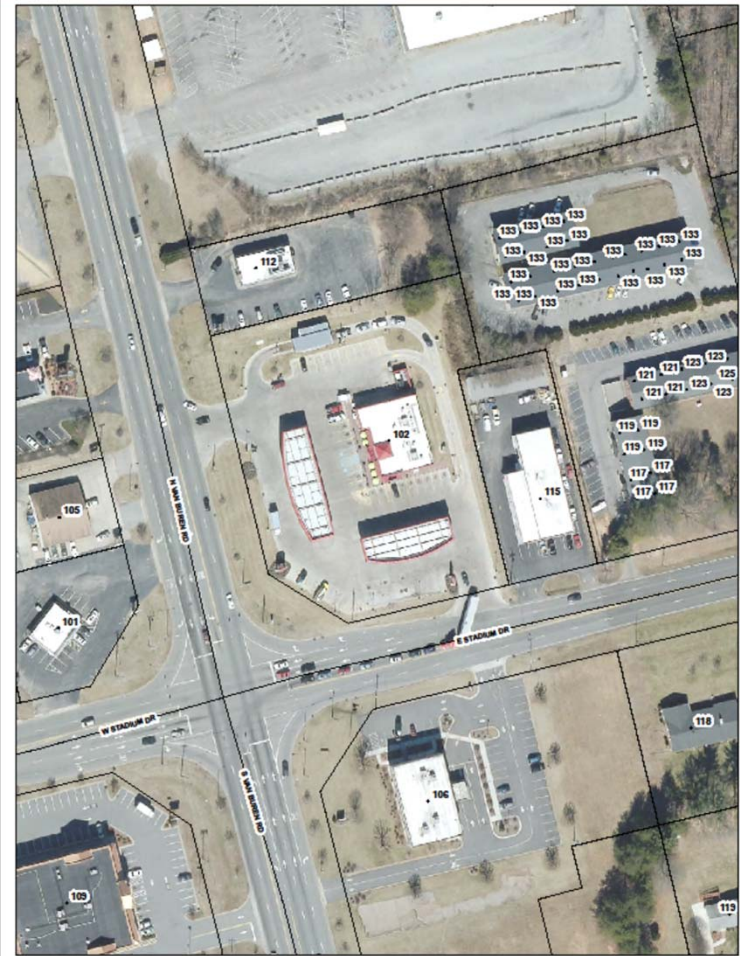




Sheetz Site



Before



After

Success Stories



- Opened in Eden in 2009
- Top ten places to work in NC in 2013
- Fortune 100-#66 in top 100 Best Places to Work (2018)
- Eden  Reidsville store
- Seeking Western Rockingham County location
- Tri-City Glass & Mirror
 - Referred to Sheetz operations department
 - Has become a substantial part of the company's annual business.
 - Pulled them through the great recession



Kingsway 4 Cinema



Kingsway

- Carmike Theaters left Eden in 2007
- Few national chain theaters will locate in small towns
 - Industry is changing
 - ✦ Netflix, Hulu, Amazon Prime, Yidio and Hoopla
 - ✦ Larger market theaters are offering food and alcohol to entice patrons
- Rockingham Theater and Eden Drive-In operator expressed interest
- Brokered a deal between theater operator and shopping center owner

Kingsway Cinema—Shopping Center location



Some Fall in Your Lap



- **Label Shopper**
 - Similar to Marshall's or T.J. Maxx
 - ✦ Named brands for bargain prices

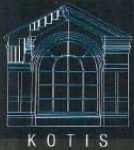


Essentials of Retail Recruitment



- Establish good relationship with existing shopping center owners and leasing agents
 - Work together on projects to fill market gaps
- Contact real estate developers
- Be willing to “cold call” chain real estate managers and business owners
 - Create marketing materials for your community
 - ✦ Retailers who have located there—aerial map of commercial area
 - ✦ Traffic counts at shopping centers
 - ✦ Population
 - ✦ Median Household Income
 - ✦ Demographics—some retailers target minorities/females

Kotis Properties



KINGSWAY PLAZA

220 WEST KINGS HWY., EDEN, NC 27288
336.574.2000 • WWW.KOTIS.ORG



- **Size of Shopping Center:** 115,000 SF
- **Available Spaces:** 2,000, 4,000, 5,040, 15,525
- **Population:** 15,908 in the city; 93,643 in the county
- **High Traffic:** 17,000 ADT on W Kings Hwy and 21,000 ADT on Hwy 87 (S Van Buren Rd)
- **Tenants:** Peebles, Dollar Tree, Schewels furniture, movie theater, etc
- **Retail Nearby:** Walmart, Ruby Tuesday, McDonalds, Save-A-Lot, CVS, It's Fashion Metro, etc
- **Employers Nearby:** Memorial Hospital, MillerCoors, Duke Energy, Gildan Activewear, Mabe Trucking, etc
- **Location:** Sits in the heart of Eden's most vibrant retail corridor

PO BOX 9296, GREENSBORO, NC 27429
336.574.2000 • WWW.KOTIS.ORG



ABOUT KOTIS

We develop prime retail space and shopping centers throughout North Carolina and South Carolina. We combine attractive architecture with high profile locations. As the largest retail developer in North Carolina headquartered in Greensboro, we have a large portfolio of properties.



www.Kotis.org



Our website provides access to additional detail on all of our current properties, and robust search tools.

- Complete property profile including site description, demographics, traffic, detailed maps, etc.
- Downloadable/printable brochures for each property
- Instant mapping and directions
- Competitive mapping
- Photo and video galleries of the property
- Architectural plans

Other Kotis Properties



810 Spring Lane
Sanford, NC



501 Village
Myrtle Beach, SC



809 Green Valley Rd.
Greensboro, NC



Westover Gallery
Greensboro, NC



2414 Battleground
Greensboro, NC



Summerfield Renaissance
Summerfield, NC



KOTIS



PO BOX 9296, GREENSBORO, NC 27429 • 336.574.2000 • FAX: 336.574.2001 • WWW.KOTIS.ORG

DEMOGRAPHIC SUMMARY		FULL PROFILE AVAILABLE ON REQUEST		
POPULATION				
EDEN, NC	15,475			
ROCKINGHAM COUNTY	91,329			
220 WEST KINGS HWY				
	1 MILE	3 MILES	5 MILES	
POPULATION	136	377	366	
EMPLOYEES	846	6,008	9,391	
MEDIAN AGE	44.8	42.3	42.2	
% EMPLOYED	83.5	84.0	84.2	
HOUSEHOLDS				
	1 MILE	3 MILES	5 MILES	
TOTAL HOUSEHOLDS	972	6,882	10,270	
MEDIAN HH VALUE	\$100,269	\$90,478	\$81,456	
AVERAGE HH INCOME	\$41,022	\$37,097	\$38,618	



Eden Retail/Restaurant Recruitment




- **Tractor Supply**
- **Ruby Tuesday/Cookout/Little Caesars**
- **Dollar Tree/Dollar General (2)**
- **It's Fashion Metro**
- **Sally's Beauty Supply**
- **Hibbett Sports**
- **Save-A-Lot grocery store**
- **Sheetz**
- **Ms. Winners Chicken & Biscuits/Bojangles'**
- **Kingsway 4 Cinema**

Patience is a Virtue



- Harassed company for years
- Ready to select Eden Market
- Corporate CEO change
 - Focus on power centers in larger markets



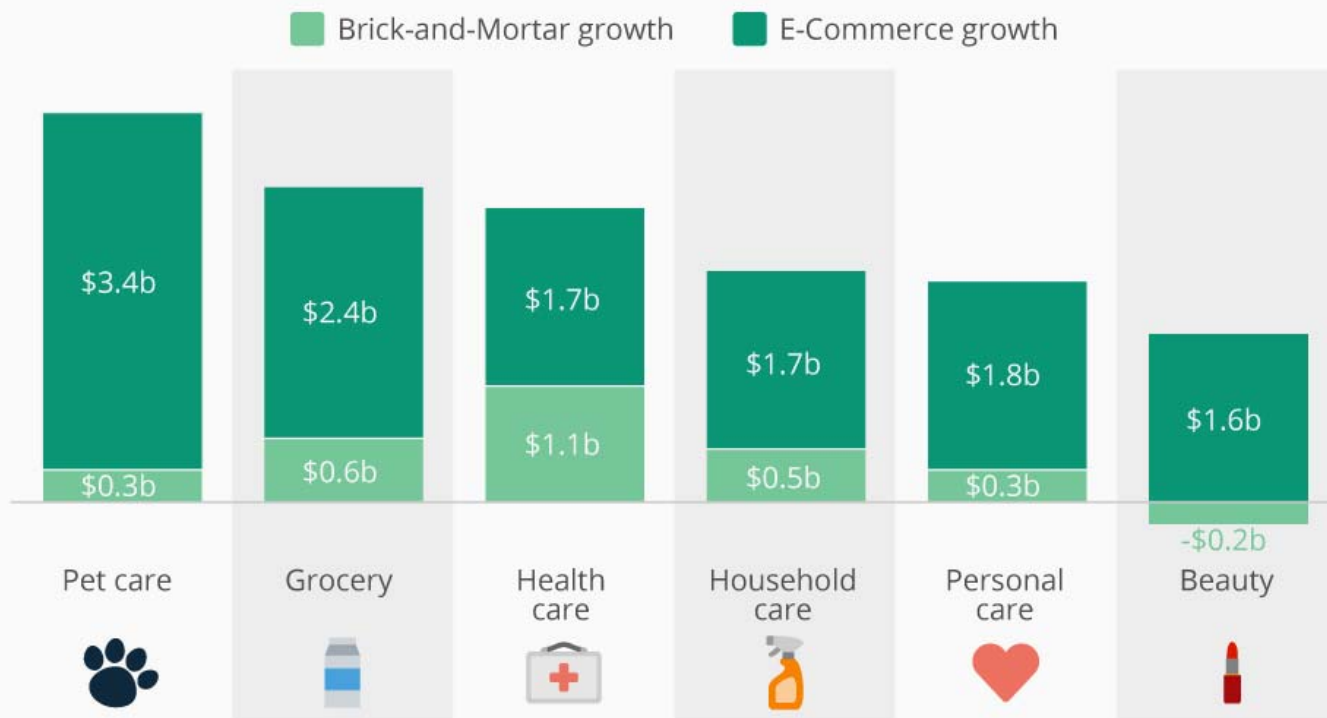
- Spent 5 years pursuing Hibbett Sports
- Located in Meadow Greens Shopping Center
- Eden  Madison, NC Store



Internet-Revolutionizing shopping

E-Commerce Drives FMCG Sales Growth in the U.S.

Absolute dollar sales growth for FMCG categories in the U.S. by channel*

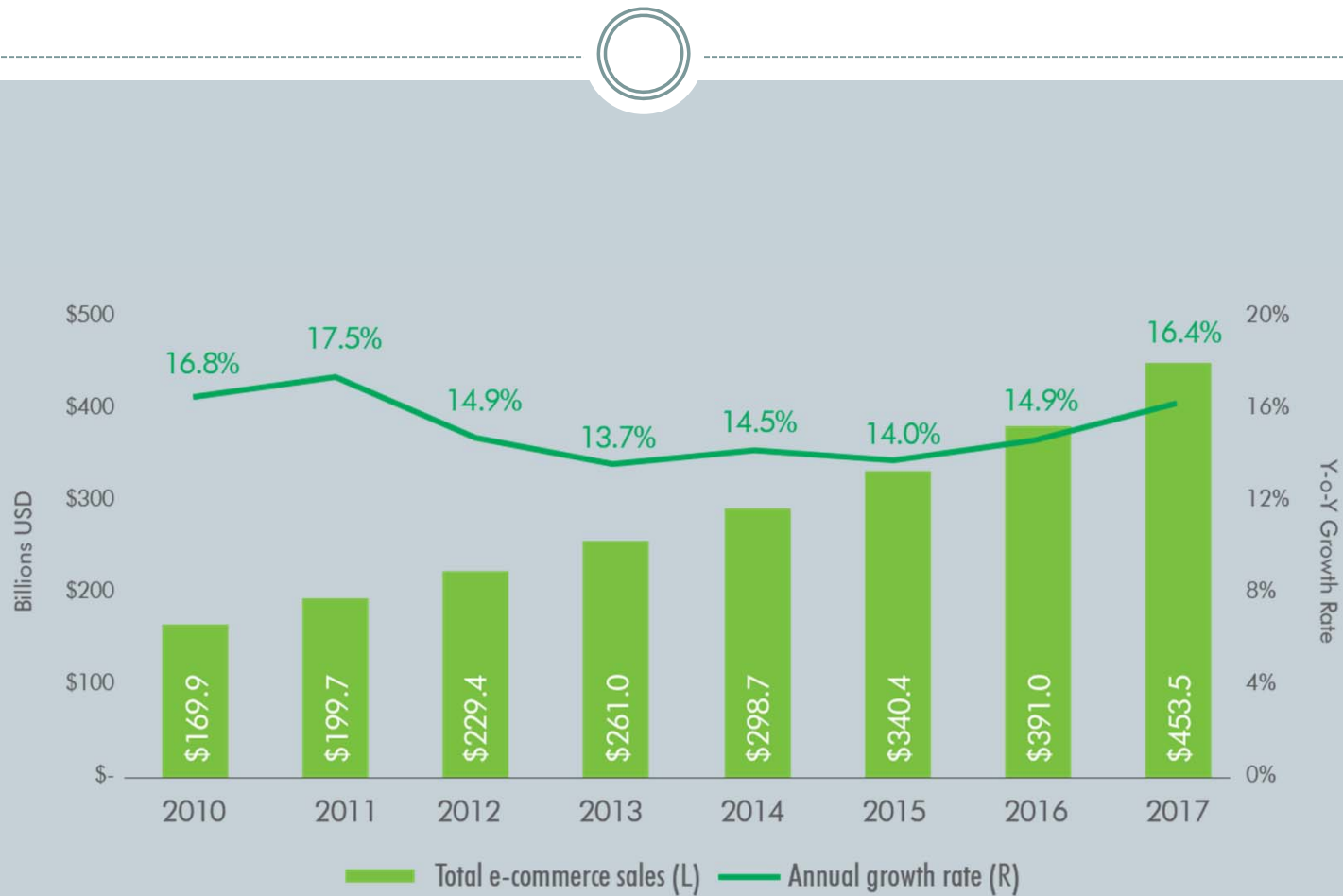


CC BY ND
@StatistaCharts

* 52 weeks ending April 29, 2017 vs. the same period a year ago
Source: Nielsen

statista

E-Commerce as a % of total Retail Sales



Source: U.S. Census Bureau, eMarketer, 2018.

Digital trends affecting commerce



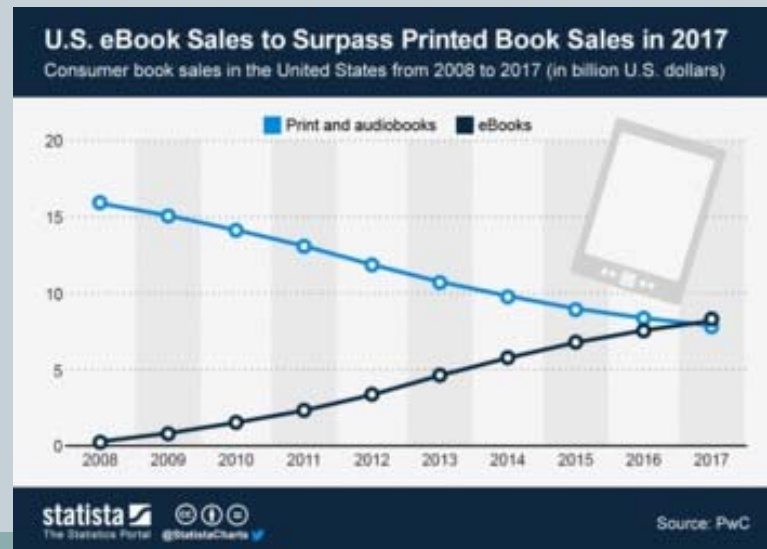
Sheetz
Taco Bell
McDonalds



Books



- Borders and Waldenbooks closed
- Barnes and Nobles tried to put itself up for sale, but could not find a buyer.
 - Amazon.com contributed greatly to this situation
- E-books sales were projected to surpass printed book sales in 2017



Senate Bill Tax Fairness Act



- The US Senate has approved 69 to 27 with Bi-Partisan support
- Marketplace Fairness Act would allow states that currently charge sales taxes to require large online retailers to collect tax on purchases made by their residents. The law would only apply to online sellers that have sales of at least \$1 million outside of states where they have physical operations, like a store or a warehouse.

Some Concepts Fail



- **Wal-Mart**
 - World's largest retailer
 - Wanted to compete with Dollar Stores in small towns
- **New concept did not reach projected volumes**
 - Closed 154 stores, including 102 Wal-Mart Express stores in January of 2018



Real Estate Contacts



- **Dollar General Real Estate Manager-North Carolina**
 - Lauren Chiozza
 - lchiozza@dollargeneral.com 615-934-3065
- **Sheetz Director of Real Estate Southern Region**
 - Jamie Gerhart
 - jgerhart@sheetz.com 814-946-3611
- **Tractor Supply Director of Real Estate-Southeast**
 - Mike Porter
 - mporter@tractorsupply.com 615-440-4000 or 4675
- **Dollar Tree Senior Real Estate Manager**
 - Craig Cripe
 - Ccripe@dollartree.com 252-974-1083

NC Main Street Communities



- Economic Development in the context of historic preservation
- Follow 4-Point approach—Organization, Design, Economic Vitality and Promotion
- Facilitates entrepreneurship
 - More affordable rental rates downtown vs commercial areas
- *Downtown is the “soul” of any community*
 - Tony Copeland, NC Secretary of Commerce

Main Street Program



- Recommend entrepreneurial support
- Help Locate buildings
- Navigate zoning and planning issues
- Utilities
- Digital Presence
- Ribbon cuttings
- Marketing

Doing Business
Downtown



EDEN
North Carolina

Small Business and Entrepreneurship Training



- **Rockingham County Entrepreneurship Assistance Program (REAP)**
 - Modelled after Marion, NC program that resulted in millions spent by new business owners in downtown
 - Partnership with RCC Small Business Center
 - Self-Help Credit Union helping with SBA 504 loans
 - ✦ Classes
 - ✦ Individual counseling
 - Small Business Technology Development Center (SBTDC)



**Grow Entrepreneurship
Marion (GEM) graduates**

SCORE Chapter



- **Service Corp of Retired Executives**
 - Provide expertise to aspiring or existing entrepreneurs
 - Establish on-going relationships with business owners.
 - Help identify resources to help them
 - Often can honestly tell aspiring business owner to not open
 - ✦ **Better than losing life's savings**

SCORE[®]
Counselors to America's Small Business

Small Business Benefits



- **Locally-grown businesses return more money to your community (10 studies from AMIBA)**
- **80% of all jobs come from existing businesses**
- **Stage 2 businesses (10-99 employees) represent 8 percent of all businesses and provide close to 35 percent of jobs nationally.**
- **Between 1998 and 2008, small businesses were responsible for the creation of 2 million jobs while large companies lost 3.7 million jobs.** (McCabe & Shroeder “Are you ready to be gardened?” Small Business Administration 2011.)

Downtown Success Story



- Young woman wanted to open a bakery
- Found suitable location
- Recommended how to approach landlord on incentives
 - 1-3 months free rent for long term lease
- Provide city incentives
 - Façade grant
- Marketing assistance
 - Newspaper columns, Facebook, Twitter



Sweet Revenge Bakery



- Expanded in 2018
- City Building Rehabilitation Grant
- Business owner appears on City small business video urging others to open in Eden



Downtown Success Story



- **Ashley Latham Photography**
 - Took 3 small buildings that had been dormant for 10 years
 - Renovated and turned into a photography studio and hair salon
 - 2017 tax value of the 3 buildings: \$ 78,159
 - 2018 tax value of the 3 buildings: \$191,634
 - Difference: \$ 77,967
 - Increase in tax revenue for Eden and Rockingham County:
\$1,608.37



Seek Expansions



- **Look at neighboring markets for potential retailers**
 - Especially independent retailers
 - ✦ What works in similar communities can often work in your community.
 - ✦ Independent retailers may want a second location in your town



Neighboring Business Expansions



**Established Madison, NC coffee shop owner interested in
Operating an Edén Downtown coffee shop**

Summary



- **Retail Development can be accomplished by Town Managers, Planners, Chamber of Commerce staff, etc.**
 - Avoid lead-generation companies such as *Buxton* who charge exorbitant rates for what you can do yourself. (\$60,000+)
- **Identify what your community needs and target those retailers—use ESRI data to reinforce your arguments**
- **Follow steps to establish a relationship with the real estate managers/developers**
- **Consider pursuing the NC Main Street program**
- **The Downtown Associate Communities (DAC) program—pathway for small towns to join Main Street program**

Summary



- **NC Main Street is a “Self-Help” program that offers assistance and resources to preserve and grow your downtown**
 - Annual meetings are very informative and helpful
- **Be patient and persistent in retail recruitment**
 - It often takes time to “close the deal.”
 - Don’t give up!

Questions?

